



Rule Up For Discussion

Proposed Amendments to
WAC 230-40-610(3)
Player-supported jackpots— Restrictions – Manner
of conducting - Approval.

ITEM 10(a) on the October 14, 2005, Commission Meeting Agenda. Statutory Authority 9.46.070 & 9.46.0282

Who proposed the rule change?

Recreational Gaming Association.

Why is this rule change proposed?

Card rooms offering poker may collect a 10% rake from players' wagers, up to \$5 each hand. For games that offer a player-supported jackpot (PSJ), up to \$1 may be raked from each hand and put towards the PSJ. Of the \$1 PSJ rake, card rooms may retain up to 10% as administrative fees. For example, if wagers total \$60, a card room could rake \$6 from the wagers (\$5 for the card room rake and \$1 for the PSJ rake); the card room would keep \$5, 10 cents would be charged as a PSJ administrative fee, and 90 cents would go toward the PSJ.

Dolores Chiechi, on behalf of the Recreational Gaming Association, is asking that the PSJ administrative fee be increased from 10% to 35%. This would increase the administrative fees a card room could keep from each \$1 PSJ rake from 10 cents to 35 cents.

PSJ funds must be kept in a separate PSJ bank account. The 10% administrative fee is intended to allow licensees to recoup the administrative expenses incurred with maintaining the separate PSJ bank account, including banking fees and recordkeeping. The Petitioner has provided no justification to support an increase in this fee.

Staff believes a 35% administrative fee is extremely high. PSJ funds are the players' funds and staff feels these funds should be returned to players and not kept as an additional revenue source for the business.

Currently, there is a Petition for Rule Change from Drift on Inn Casino under discussion which would increase the PSJ rake from \$1 to \$2 (see ITEM 9). If approved, card rooms could potentially double the amount of administrative fee revenue.

Attachments:

Petition for Rule Change and letter dated 8/12/05

Letter from Ms. Chiechi dated 8/23/05. **In this letter, the Petitioner states that a 35% administrative fee for player-supported jackpots would make the administrative fee consistent to what is now taken for house-banked progressive jackpots. It is important to note that house-banked progressive jackpots require a voluntary bet to be placed by players.**

Proposed amendment to WAC 230-40-120

Letter to Ms. Chiechi informing her of the October 14, 2005, Commission meeting.

Statements against the proposed rule change.

None.

Which licensees will be directly impacted?

Licensees conducting player-supported jackpots.

What are the potential impacts to the agency?

Minimal.

Staff recommendation.

Deny the petition.